



Abacus
Australian Mutuals

Association of Building Societies and Credit Unions

22 July 2009

Mr John Hawkins
Secretary
Senate Economics Legislation Committee
By email: economics.sen@aph.gov.au

Dear Mr Hawkins

Corporations Amendment (Improving Accountability on Termination Payments) Bill 2009

Abacus appreciates the opportunity to offer our comments to the Senate Standing Committee of Economics in relation to the above Bill.

We have kept our comments short, as we believe the underlying issues around this Bill are a matter best suited to consideration by the Productivity Commission in its extensive inquiry into remuneration arrangements for company executives.

Abacus – Australian Mutuals is the industry body for credit unions, mutual building societies and friendly societies. Collectively, Abacus member institutions have more than \$70 billion in assets and serve more than 6 million members.

We see executive remuneration as an important governance issue and support a review of its regulatory framework.

On 19 March 2009, the Productivity Commission (PC) was asked to undertake an inquiry into the current Australian regulatory framework around remuneration of directors and executives. The Commission is to make recommendations on how the existing framework could be improved.

In light of the Productivity Commission Inquiry currently in progress, we believe the Senate Committee should recommend Government defer introduction of the legislation until the Commission has made its recommendations.

This is important in the context ensuring a more holistic examination of remuneration practices in Australia that takes into account a wide spectrum of business practices, self-governance mechanisms and the role of all stakeholders in the remuneration process.

Yours sincerely,

Mark Degotardi
Acting Chief Executive Officer